

# MAYOR & COUNCIL AGENDA COVER SHEET

## MEETING DATE:

March 1, 2004

## CALL TO PODIUM:

Nancy Walsh,  
Grants Writer

## RESPONSIBLE STAFF:

Nancy Walsh,  
Grants Writer

Louise Kauffmann,  
Grants Administrator

## AGENDA ITEM:

(please check one)

	Presentation
	Proclamation/Certificate
	Appointment
x	Public Hearing
	Historic District
	Consent Item
	Ordinance
	Resolution
	Policy Discussion
	Work Session Discussion Item
	Other:

## PUBLIC HEARING HISTORY:

(Please complete this section if agenda item is a public hearing)

Introduced	
Advertised	2/11/04
Hearing Date	3/1/04
Record Held Open	10 days
Policy Discussion	3/15/04

## TITLE:

Hearing to Solicit Public Service Proposals for the Expenditure of FY05 Community Development Block Grant Funds

## SUPPORTING BACKGROUND:

In its second year as a direct entitlement community, Gaithersburg will receive \$545,000 in Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD). CDBG funds support national objectives that include decent housing, a suitable living environment, and expanded economic opportunities, principally for low- to moderate-income persons. Twenty percent (\$109,000) of the City's CDBG award may be used for administration and planning, and up to 15 percent (\$81,750) for public service projects. The balance (at least \$354,250) will be used for eligible capital projects.

Under CDBG Regulations, the City is required to hold at least two public hearings each year and submit an annual Action Plan to HUD. At the City's first public hearing, held January 29, 2004 at the Activity Center at Bohrer Park, the City identified the expected level of FY05 funding, described goals of the CDBG program, and discussed types of projects that may be eligible for funding. At tonight's public hearing, the public is invited to present proposals for public service projects to be funded through the CDBG program.

The City is currently evaluating applications for public service grants and preparing its annual Action Plan, which sets forth the City's community development objectives and identifies projects to be funded through any of four HUD formula programs, including CDBG. Although the City is prepared to submit its Action Plan to HUD by the May 15, 2004, deadline for grantees whose program year begins July 1, 2004, it has requested an extension of the deadline to August 16, 2004 (see attached letter). The extension was requested because HUD recently designated Gaithersburg an entitlement grantee under the Housing Opportunities for Persons With AIDS (HOPWA) program, one of the other formula programs to be described in the annual Action Plan.

## DESIRED OUTCOME:

Hear testimony of potential applicants for FY05 CDBG funds. Staff recommends that Mayor and City Council keep the record open for 10 days with final action anticipated on March 15, 2004.



February 25, 2004

Frances Bush  
Acting Director  
US Department of Housing and Urban Development  
Office of Community Planning and Development  
820 First Street, NE  
Washington, DC 20002

Dear Ms. Bush:

The City of Gaithersburg is in receipt of HUD's response to City Manager David Humpton's request that another jurisdiction be designated as the grantee for the Federal Fiscal Year 2004 HOPWA funds. HUD has determined that the City of Gaithersburg is the only authorized jurisdiction in the Bethesda-Frederick-Gaithersburg Metropolitan Division to qualify as the recipient of HOPWA funds.

Rather than see HUD recapture this \$535,000 in federal funds, the City agrees to accept HOPWA funding on behalf of Montgomery and Frederick Counties, which comprise the newly created Metropolitan Division. I appreciate your offer of support through technical assistance provided by AIDS Housing of Washington. A meeting will be held here at City Hall on March 9, 2004, at which time all of the governmental agencies impacted by this decision will have an opportunity to learn from AIDS Housing of Washington how we can each undertake our respective roles in order to maximize the limited HUD funding available to our HIV/AIDS households.

Regardless of how these funds are ultimately administered, it is the City's obligation to amend its Five-Year Consolidated Plan and prepare an Annual Action Plan that proposes to address the needs of persons and families with HIV/AIDS in our two counties. Given our lack of experience working with this population and the need to confer with agencies and organizations in a two-county area, I am requesting an extension of the date by which our Annual Action Plan is due to HUD from May 15, 2004 until August 16, 2004. A three-month extension should give the City adequate time to consult with the appropriate housing agencies, health departments, and non-profit service providers, thereby ensuring that we develop and prepare an appropriate housing and related supportive-services strategy on behalf of this vulnerable population. The City will submit its amended Consolidated Plan by August 16, 2004 as well.

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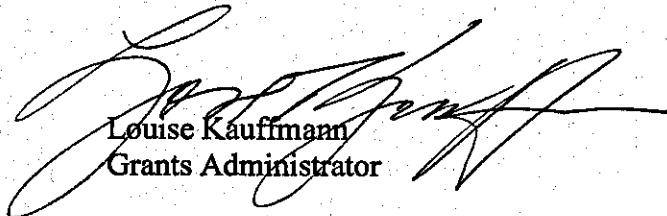
Ms. Frances Bush

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As we had discussed this matter by phone several weeks ago, I trust that you will be able to approve this request quickly. Given the need for broad community input as well as a 30-day draft comment period, I'm sure that you understand that the City will be unable to comply with the requirements set out by HUD without the requested extension.

Sincerely,

A handwritten signature in black ink, appearing to read "Louise Kauffmann", is written over the typed name and title.

Louise Kauffmann  
Grants Administrator

cc: Mayor and City Council  
City Manager